

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 21, 1996

SUBJECT: **SB 2943 - HB 2797**

This bill, if enacted, will increase from \$1,000 to \$1,200 the cash wages an employer must pay for domestic services for those services to be considered "employment" under the Tennessee Employment Security Law.

The fiscal impact from enactment of this bill is estimated to be a decrease in revenues to the Unemployment Trust Fund from a lost in unemployment insurance premiums; however, such decrease is estimated to be not significant.

The Department of Employment Security has stated that this bill conflicts with federal statute and may result in such employers paying the full federal FUTA tax rate of 6.2% on a portion of such wages. Employers would normally receive a credit for all but .8% of FUTA taxes.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director